



**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

MINING RECLAMATION BOND (PERSONAL BOND)

The Miner, Sumitomo Metal Mining Pogo, LLC, a corporation existing under the laws of the State of Alaska, whose address is P.O. Box 145, Delta Junction, Alaska 99737, as Obligor, is firmly bound unto the State of Alaska Department of Natural Resources and the State of Alaska Department of Environmental Conservation ("the State") in the sum of Seventy One Million, Nine Hundred Eight Thousand U.S. Dollars (\$71,908,000.00), lawful money of the United States, for the payment of which the Obligor hereby binds itself, its successors, and assigns.

Contemporaneously with the execution and delivery of this Personal Bond, the Obligor delivers to the State as collateral to secure the obligation described herein four Letters of Credit:

- Sumitomo Mitsui Banking Corporation Amended LOC No. 211LCJ-62040375 for USD \$6,025,650.00,
- Sumitomo Mitsui Banking Corporation Amended LOC No. 211LCJ-62040389 for USD \$55,096,150.00,
- Mizuho Corporate Bank Amended LOC No. SCE00100002412 for USD \$9,722,850.00,
- Mizuho Corporate Bank Amended LOC No. SCE00100002426 for USD \$1,063,350.00,

the aggregate amount of collateral securing the obligation described herein is of USD \$71,908,000.00 pursuant to 11 AAC 97.410, 11 AAC 93.171-172 and 18 AAC 60.265.

Whereas, the Obligor has submitted and received approval of a reclamation plan for mining operations and obtained a waste management permit, and certificates of approval relating to the dams at the Pogo Mine; which approved reclamation plan (hereinafter "the reclamation plan"), waste management permit (hereinafter "the Permit"), and certificates of approval to operate, repair, construct, modify or abandon dams (hereinafter "the Certificates") are listed in Table 1 below and are, by reference, incorporated fully herein in all their terms and made a part of this bond; and

Table 1

Plan Approval, Permit, ADL, Cert. #	USD Amount	Description
<ul style="list-style-type: none">• Plan of Operations Approval (F20189500),• Waste Management Permit No. 2018DB0001,• Certificate of Approval to: Operate a Dam (FY2017-11-AK00304)• ADL 416809, ADL 417066, ADL 416817	\$71,908,000.00	Pogo Mine Reclamation and Closure Plan February 2017, Waste Management Permit, Dam Certificates, Road Right-of-Way, and Powerline Right-of-Way

Whereas, the Obligor is required to post a performance bond with the State to ensure complete compliance with AS 27.19, 11 AAC 97, AS 46.03.100, 18 AAC 60, AS 46.17, 11 AAC 93 and the reclamation plan; the Permit, and the Certificates; and

Whereas, the Obligor has chosen to post this Personal Bond with the State to ensure the Obligor's complete compliance with the requirements of the reclamation plan (AS 27.19, and attendant regulations at 11 AAC 97), the Permit (AS 46.03.100, and attendant regulations at 18 AAC 60), and the Certificates (AS 46.17, and the attendant regulations at 11 AAC 93), and

Whereas, in accordance with 11 AAC 97.430, Obligor is liable for the full costs of reclamation to the standards of AS 27.19, the requirements of 11 AAC 97, and the reclamation plan regardless of the amount of the reclamation bond; and

Whereas, the Obligor agrees that unless the Obligor has replaced this bond with another personal bond or with another form of financial assurance authorized and approved under 11 AAC 97.400, 18 AAC 60.265, and 11 AAC 93.171-172 providing security for compliance with all terms of the reclamation plan, the Permit, and the Certificates, coverage under this bond shall extend to and include the reclamation plan, the Permit, and the Certificates (including any new certificates issued), and any amendments approved by the State.

Now, therefore, the terms of this Personal Bond are as follows:

Upon a determination by the State that the Obligor has satisfactorily complied with the reclamation plan in accordance with the standards of AS 27.19.020, AS 46.03.100, 11 AAC 97.200-250 and of 11 AAC 93.171-172, the Permit, and the Certificates, the obligations of this personal bond and accompanying instrument shall terminate and the State shall release this bond and the accompanying instruments.

This personal bond and accompanying instruments shall remain in full force and effect until their release is approved in writing by the State (1) in accordance with 11 AAC 97.410(b), 18 AAC 60, and 11 AAC 93; or (2) upon delivery of substitute financial assurance acceptable to the State.

The State may approve replacement of this personal bond or the collateral securing it in accordance with 11 AAC 97.400, 18 AAC 60, and 11 AAC 93. In the event of replacement, the substitute bond must assume all remaining reclamation obligations and liabilities.

If the State determines that the Obligor has violated or permitted a violation of the reclamation plan or the Permit or the Certificates and failed to comply with a lawful order of the State, the Obligor forfeits this personal bond or the relevant portion thereof in accordance with AS 27.19, 18 AAC 60, or 11 AAC 93. Upon the Obligor's receipt of a notice of the Obligor's default from the State, the Obligor shall promptly pay the face value of this personal bond to the State or forfeit the funds secured by the Letters of Credit (LOC) referenced below:

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- Sumitomo Mitsui Banking Corporation Amended LOC No. 211LCJ-62040389 for USD \$55,096,150.00,
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- Mizuho Corporate Bank Amended LOC No. SCE00100002426 for USD \$1,063,350.00,

All correspondence pertaining to the Personal Bond shall be sent to:

State of Alaska, Department of Natural Resources
Division of Mining Land and Water
550 West 7th Avenue, Suite 900B
Anchorage, AK 99501-3577
Attention: Mining Section Chief

OBLIGOR

Date August 2, 2018

(Affix seal)

Obligor: Sumitomo Metal Mining Pogo, LLC
P.O. Box 145,
Delta Junction, Alaska 99737

By: 前田 敏明
(Authorized Officer's Signature)

President
(Printed Title)

Toshiaki Maeda
(Printed Name)

ACKNOWLEDGMENT OF OBLIGOR

The foregoing instrument was acknowledged before me by TOSHIAKI MAEDA,

this 2ND day of AUGUST 2018



Witness my hand and official seal.

Loida C. Gallego
(Notary Public or other authorized officer)

My Commission Expires: Oct 13, 2020

**APPROVAL AND ACCEPTANCE BY STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES**

By: Brent Goodrum
Brent Goodrum, Director, Division of Mining, Land and Water

Date 13 AUG 2018

**APPROVAL AND ACCEPTANCE BY STATE OF ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

By: Andrew Sayers-Fay
Acting For Andrew Sayers-Fay, Director, Division of Water

Date 14 AUG 2018

INSTRUCTIONS

- This form shall be used whenever the commissioner has approved the use of a personal bond in connection with a Division of Mining, Land and Water plan of operations and reclamation plan with the posting of an instrument or property such as cash or gold to secure the personal bond.
- Property pledged to secure the personal bond must be owned by the Obligor and must not be subject to any liens or prior security agreements. The property/instrument posted may be in the form of cash or gold in escrow; a Certificate of Deposit made payable to the State of Alaska Department of Natural Resources; an Irrevocable Letter of Credit issued by a bank authorized to do business in the United States with the Department specified as beneficiary. The value of pledged instruments must equal or exceed the amount of the bond. A combination of instruments may be posted so long as the aggregate value equals or exceeds the amount of the bond.
- Instruments such as Certificates of Deposit or Cash in Escrow must be accompanied by a State form entitled: Assignment of Negotiable Instrument.
- A Letter of Credit must be in a form acceptable to the State.
- When this bond is executed by a partnership, all partners must sign the bond individually in the space provided or by securely attaching an addendum with the recital that they are partners comprising the firm by name. All members of the partnership shall execute the bond.
- When this bond is executed by a corporation, the bond must be executed by a duly authorized corporate officer who must submit evidence of his/her authority to act for the corporation. This certified authorization must be attached to the bond.
- When any of the parties executes this bond through an authorized agent, a Power of Attorney or other evidence of authority must accompany the bond.

This form is to be used in accordance with the regulations of the Department of Natural Resources regarding bonds and bonding requirements.

**CONSENT TO ACTION OF SOLE MEMBER
OF
SUMITOMO METAL MINING POGO LLC**

The undersigned, being the sole member of Sumitomo Metal Mining Pogo LLC, an Alaska limited liability company (the "Company"), acting pursuant to AS 10.50 of the Alaska Revised Limited Liability Company Act, hereby adopts the following resolutions and hereby consents to the taking of the actions herein set forth:

AUTHORITY TO EXECUTE MINING RECLAMATION BOND

WHEREAS


The Company is required to post the attached Mining Reclamation Bond, in the amount of USD \$71,908,000.00, with the State of Alaska in order for the Company's Pogo Mine to comply with applicable laws, regulations, and permits:

BE IT RESOLVED THAT

The attached Mining Reclamation Bond, in the amount of USD \$71,908,000.00 is hereby approved and that any one of the President, Vice Presidents, Treasurer or Secretary is authorized to execute and deliver said Reclamation Bond in the name of and on behalf of the Company, along with any and all additional documents and undertakings they deem necessary and appropriate to complete this transaction.

Dated effective as of August 2, 2018.

SUMITOMO METAL MINING AMERICA INC.


Fumikazu Oshita
President

MEMORANDUM

State of Alaska

Department of Environmental Conservation
Office of the Commissioner

TO: Mike Solter
Environmental Program Manager
Division of Water

DATE: August 14, 2018

PHONE NO: 465-5065

FROM:  Alice Edwards
Deputy Commissioner

SUBJECT: Delegation of Authority

While Division Director Andrew Sayers-Fay is out of the office, August 14-15, 2018, I delegate the authority and responsibility for the functions vested in the Division of Water to Mike Solter, Environmental Program Manager.